GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3943
ANSWERED ON:17.08.2001
TURNOVER OF FOREIGN BANK BRANCHES
SUDARSANA E.M. NATCHIAPPAN;UTTAMRAO DEORAO PATIL

Will the Minister of FINANCE be pleased to state:

(a) the State-wise annual turnover of the branches of foreign banks during the last year;

(b) the extent up to which these bank branches are helpful in promoting the export trade of the country;

(c)whether the countries such as Ukraine, Azarbaizan, Kazkhkistan, Turkmanistanand Kirkistan are having bank branches in India; and

(d) if not, how the tradings, such as opening of Letter of Credit (LC) is looked after for the exporters of these countries ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Reserve Bank of India (RBI) has reported that it does not collect information on State-wise turnover of foreign banks operating in India. RBI has further reported that the total advances and deposits of foreign banks operating in India, during the year ended 31st March, 2001 was Rs.42,996.52 crores and Rs.59, 190.48 crores, respectively.

(b): As per RBI`s guidelines the foreign banks operating in India are required to lend 32% of their net bank credit to priority sector, which includes credit to export sector.

(c): No, Sir.

(d): Foreign trade with countries whose banks are not present in India, is done through the correspondent banking arrangements with the banks in those countries.